



Iowa General Assembly
Daily Bills, Amendments and Study Bills
April 11, 2013

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Senate Amendment to
House File 381

H-1285

- 1 Amend House File 381, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, before line 1 by inserting:
4 <Section 1. Section 99D.7, subsection 5, paragraph
5 b, Code 2013, is amended to read as follows:
6 b. The commission shall, beginning January 1, 2012,
7 regulate the purse structure for all horse racing so
8 that seventy-six percent is designated for thoroughbred
9 racing, fifteen and one-quarter percent is designated
10 for quarter horse racing, and eight and ~~three-quarter~~
11 three-quarters percent is designated for standardbred
12 racing. The purse moneys designated for standardbred
13 racing may only be used to support standardbred harness
14 racing purses at the state fair, county fairs, or other
15 harness racing tracks approved by the commission, or
16 for the construction, maintenance, or repair of harness
17 racing tracks located in Iowa and at the fairgrounds
18 for such fairs or other harness racing tracks located
19 in Iowa and approved by the commission. The horse
20 racetrack in Polk county shall not provide funding to
21 support standardbred racing at such county fairs that
22 is not otherwise provided for in this paragraph.>
23 Sec. 2. Section 99D.11, subsection 6, paragraph
24 c, subparagraph (4), Code 2013, is amended to read as
25 follows:
26 (4) An unlicensed advance deposit wagering operator
27 or an individual taking or receiving wagers from
28 residents of this state ~~on races conducted at the horse~~
29 ~~racetrack located in Polk county~~ is guilty of a class
30 "D" felony.>
31 2. Title page, line 1, after <concerning> by
32 inserting <horse racing, including the use of purse
33 moneys for harness racing tracks, advance deposit
34 wagering, and>
35 3. By renumbering as necessary.

HF381.1561.S (1) 85

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Senate Amendment to
House File 245

H-1286

1 Amend House File 245, as amended, passed, and
2 reprinted by the House, as follows:
3 1. By striking page 1, line 30, through page 2,
4 line 5, and inserting <Notwithstanding section 8.33,
5 or any other provision of law to the contrary, the
6 unencumbered or unobligated balance of the cigarette
7 fire safety standard fund at the close of the fiscal
8 year beginning July 1, 2012, shall not revert but shall
9 remain available for expenditure for purposes of the
10 regional emergency response training centers, on an
11 equal basis, until the close of the succeeding fiscal
12 year.
13 Sec. _____. EFFECTIVE UPON ENACTMENT. This Act,
14 being deemed of immediate importance, takes effect upon
15 enactment.>
16 2. By renumbering as necessary.

HF245.1555.S (1) 85

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House File 630

H-1287

1 Amend House File 630 as follows:

2 1. Page 1, after line 21 by inserting:

3 <Sec. _____. HYDROELECTRIC ENERGY POTENTIAL —
4 STUDY. The utilities board of the utilities division
5 of the department of commerce shall conduct a study
6 assessing the potential for the development of new
7 hydroelectric energy production facilities. The
8 assessments shall be conducted at sites bordering
9 the Mississippi river, including but not limited to a
10 federal lock and dam, and at sites bordering the Des
11 Moines river. In conducting the study, the board,
12 in coordination with the United States army corps of
13 engineers, the department of natural resources, and
14 any other federal or state agency or entity the board
15 determines appropriate, shall measure current and flow
16 levels at designated locations along the rivers to
17 assess potential energy generation capacity. The board
18 shall submit a report of its assessment, including a
19 proposed number of hydroelectric energy production
20 facilities and potential locations, to the general
21 assembly by January 1, 2014.>

22 2. Title page, by striking lines 1 and 2 and
23 inserting <An Act relating to hydroelectricity by
24 providing a sales tax exemption for hydroelectricity
25 conversion property and providing for a study of
26 hydroelectric energy production potential.>

KELLEY of Jasper

HF630.1587 (1) 85

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rn/sc

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Iowa General Assembly
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Senate File 430

H-1288

1 Amend the amendment, H-1273, to Senate File 430,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 6, after line 18 by inserting:
5 <8. BUSINESS DEVELOPMENT FINANCIAL ASSISTANCE
6 There is appropriated from the general fund of the
7 state to the economic development authority for the
8 fiscal year beginning July 1, 2013, and ending June
9 30, 2014, the following amount to be used for the
10 purposes of the high quality jobs program as described
11 in chapter 15, part 13:
12 \$ 18,000,000
13 Notwithstanding section 8.33, moneys appropriated in
14 this subsection that remain unencumbered or unobligated
15 at the close of the fiscal year shall not revert but
16 shall remain available for expenditure for the purposes
17 designated until the close of the succeeding fiscal
18 year.>
19 2. Page 18, after line 20 by inserting:
20 <8. BUSINESS DEVELOPMENT FINANCIAL ASSISTANCE
21 There is appropriated from the general fund of the
22 state to the economic development authority for the
23 fiscal year beginning July 1, 2014, and ending June
24 30, 2015, the following amount to be used for the
25 purposes of the high quality jobs program as described
26 in chapter 15, part 13:
27 \$ 15,300,000
28 Notwithstanding section 8.33, moneys appropriated in
29 this subsection that remain unencumbered or unobligated
30 at the close of the fiscal year shall not revert but
31 shall remain available for expenditure for the purposes
32 designated until the close of the succeeding fiscal
33 year.>
34 3. By renumbering as necessary.

RUNNING-MARQUARDT of Linn

DUNKEL of Dubuque

H1273.1596 (3) 85

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ad/tm

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Iowa General Assembly
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House File 635 - Introduced

HOUSE FILE 635
BY KELLEY

A BILL FOR

1 An Act providing for an Iowa individual income tax checkoff for
2 qualified nonprofit food banks and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 2411YH (2) 85
mm/sc



Iowa General Assembly
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H.F. 635

1 Section 1. NEW SECTION. **234.5 Iowa food bank fund.**
2 1. An Iowa food bank fund is created in the state treasury
3 under the control of the division of child and family services
4 of the department of human services. The fund is composed of
5 moneys appropriated or available to and obtained or accepted
6 by the treasurer of state for deposit in the fund. The fund
7 shall include moneys transferred to the fund as provided in
8 section 422.12I. Notwithstanding section 12C.7, subsection 2,
9 interest or earnings on moneys in the fund shall be credited to
10 and remain in the fund. Section 8.33 does not apply to moneys
11 in the fund.
12 2. Moneys in the fund are appropriated to the department of
13 human services to provide grants to nonprofit food banks in the
14 state. To be qualified to receive a grant from the Iowa food
15 bank fund, a nonprofit food bank must be primarily located in
16 Iowa and must primarily serve Iowa residents. The division of
17 child and family services may authorize payment of moneys from
18 the fund upon approval of an application from a nonprofit food
19 bank in the state.
20 3. For purposes of this section, "*nonprofit food bank*"
21 means an organization qualifying under section 501(c)(3) of the
22 Internal Revenue Code as an organization exempt from federal
23 income tax under section 501(a) of the Internal Revenue Code
24 that maintains an established operation involving the provision
25 of food or edible commodities or the products thereof on a
26 regular basis to persons in need or to food pantries, soup
27 kitchens, hunger relief centers, or other food or feeding
28 centers that, as an integral part of their normal activities,
29 provide meals or food on a regular basis to persons in need.
30 4. The department shall establish rules relating to the
31 application process.
32 Sec. 2. NEW SECTION. **422.12I Income tax checkoff for Iowa**
33 **food bank fund.**
34 1. A person who files an individual or a joint income tax
35 return with the department of revenue under section 422.13 may



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H.F. 635

1 designate one dollar or more to be paid to the Iowa food bank
2 fund created in section 234.5. If the refund due on the return
3 or the payment remitted with the return is insufficient to pay
4 the additional amount designated by the taxpayer to the Iowa
5 food bank fund, the amount designated shall be reduced to the
6 remaining amount of refund or the remaining amount remitted
7 with the return. The designation of a contribution to the Iowa
8 food bank fund under this section is irrevocable.

9 2. The director of revenue shall draft the income tax form
10 to allow the designation of contributions to the Iowa food
11 bank fund on the tax return. The department of revenue, on or
12 before January 31, shall transfer the total amount designated
13 on the tax return forms due in the preceding calendar year to
14 the Iowa food bank fund. However, before a checkoff pursuant
15 to this section shall be permitted, all liabilities on the
16 books of the department of administrative services and accounts
17 identified as owing under section 8A.504 and the political
18 contribution allowed under section 68A.601 shall be satisfied.

19 3. The department of human services may authorize payment of
20 moneys from the Iowa food bank fund, in accordance with section
21 234.5.

22 4. The department of revenue shall adopt rules to administer
23 this section.

24 5. This section is subject to repeal under section 422.12E.

25 EXPLANATION

26 This bill provides that taxpayers filing individual income
27 tax returns will be allowed to designate \$1 or more on the
28 return to be paid to the Iowa food bank fund. The bill creates
29 the Iowa food bank fund in the state treasury under the control
30 of the child and family services division of the department of
31 human services. The bill requires the department of revenue to
32 annually remit moneys collected from the checkoff to the fund.
33 Moneys in the fund shall be used to provide grants to nonprofit
34 food banks that submit an application for funding. To qualify
35 for a grant, a nonprofit food bank must be primarily located in

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1 Iowa and must primarily serve Iowa residents. "Nonprofit food
2 bank" is defined in the bill.

3 The bill provides that the checkoff is subject to Code
4 section 422.12E, which allows no more than four checkoffs
5 on the individual tax return form and provides for the
6 automatic repeal of the two checkoffs receiving the least in
7 contributions over a two-year period.



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House Resolution 35 - Introduced

HOUSE RESOLUTION NO. 35

BY KELLEY, HESS, KRESSIG, WINCKLER, LUNDBY, GAINES,
LENSING, FORBES, DAWSON, DUNKEL, RIDING, MUHLBAUER,
PRICHARD, THOMAS, BEARINGER, RUFF, ISENHART,
HUNTER, KEARNS, HEDDENS, T. TAYLOR, ABDUL-SAMAD,
MASCHER, M. SMITH, COHOON, HANSON, ANDERSON,
WESSEL-KROESCHELL, STUTSMAN, STECKMAN, THEDE,
H. MILLER, GASKILL, STAED, BERRY, OURTH, HALL,
R. OLSON, WOOD, LYKAM, WOLFE, RUNNING-MARQUARDT,
R. TAYLOR, KOESTER, BAUDLER, BYRNES, HIGHFILL,
STANERSON, DRAKE, ROGERS, LANDON, FISHER, SHEETS,
ALONS, SHAW, GASSMAN, SODERBERG, KAUFMANN,
WORTHAN, HEATON, WINDSCHITL, JORGENSEN, BACON,
BALTIMORE, SANDS, SCHULTZ, WATTS, KLEIN, HAGENOW,
HEARTSILL, HUSEMAN, SALMON, LOFGREN, HANUSA,
DEYOE, PETTENGILL, MAXWELL, L. MILLER, COSTELLO,
FRY, S. OLSON, VANDER LINDEN, DOLECHECK, J.
SMITH, RAYHONS, FORRISTALL, MOORE, GARRETT, HEIN,
GRASSLEY, COWNIE, KAJTAZOVIC, T. OLSON, OLDSO, N,
JACOBY, and MURPHY

1 A Resolution honoring the Iowa Library for the Blind
2 and Physically Handicapped.
3 WHEREAS, in 1960 the Library of Congress established
4 the Iowa Library for the Blind, and for 53 years the
5 Iowa Library for the Blind and Physically Handicapped
6 has provided books and other materials in alternative
7 formats to Iowa residents who are unable to read
8 standard print materials; and
9 WHEREAS, the National Library Service for the Blind
10 and Physically Handicapped, a division of the Library

LSB 2199HH (5) 85

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H.R. 35

1 of Congress, has honored the Iowa Library for the Blind
2 and Physically Handicapped with an award to recognize
3 its 50th anniversary and its success in distributing
4 the new digital talking book players to its thousands
5 of patrons across Iowa; and

6 WHEREAS, the Iowa library, a division of the Iowa
7 Department for the Blind, has been hailed as one of the
8 best regional National Library Service libraries in the
9 country and holds the largest collection of Braille
10 titles in the world; NOW THEREFORE,

11 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That
12 the House of Representatives congratulates the Iowa
13 Department for the Blind and its staff for exemplary
14 service to the people of Iowa.

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jr/nh

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Iowa General Assembly
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House File 489

S-3146

- 1 Amend the amendment, S-3129, to House File 489,
2 as amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 1, by striking lines 4 through 9 and
5 inserting:
6 <_____. By striking page 7, line 28, through page 9,
7 line 29.>
8 2. By renumbering as necessary.

MATT McCOY



Iowa General Assembly
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Senate File 441 - Introduced

SENATE FILE 441
BY PETERSEN

A BILL FOR

1 An Act relating to child care by making appropriations for
2 state child care assistance and support for child care.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 2060XS (6) 85
jp/rj



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S.F. 441

1 Section 1. STATE CHILD CARE ASSISTANCE ENHANCEMENT.

2 1. There is appropriated from the general fund of the
3 state to the department of human services for the fiscal year
4 beginning July 1, 2013, and ending June 30, 2014, the following
5 amount, or so much thereof as is necessary, to be used for the
6 purposes designated:

7 For enhancement of the state child care assistance program
8 and other support for child care in accordance with this
9 section:

10 \$ 8,251,941

11 2. Of the amount appropriated in this section, up to
12 \$4,415,921 shall be used for the cost to rebase the maximum
13 reimbursement rate for providers under the state child care
14 assistance program to the 75th percentile of the 2006 child
15 care market rate survey.

16 3. Of the amount appropriated in this section, up to
17 \$3,736,020 shall be used to change the income redetermination
18 period for continuing eligibility under the state child care
19 assistance program from six months to twelve months.

20 4. Of the amount appropriated in this section, up to
21 \$25,000 shall be used to implement a searchable internet-based
22 application as part of the consumer information made available
23 under section 237A.25. The application shall provide a listing
24 of the child care providers in this state that have received
25 a rating under the quality rating system implemented pursuant
26 to section 237A.30 and information on whether a provider
27 specializes in child care for infants, school-age children,
28 children with special needs, or other populations or provides
29 any other specialized services to support family needs.

30 5. Of the amount appropriated in this section, up to \$75,000
31 shall be used by the department to conduct an independent
32 evaluation of Iowa's child care quality rating system. The
33 evaluation shall address the system's strengths and weaknesses,
34 and shall provide recommendations for change. The department
35 shall submit a final report on or before December 16, 2013, to

LSB 2060XS (6) 85

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jp/rj

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S.F. 441

1 the governor and general assembly concerning the evaluation.
2 The evaluation shall also include but is not limited to all of
3 the following:

4 a. An assessment of the validity of the system's key
5 underlying concepts.

6 b. An assessment of the techniques utilized and
7 psychometric properties of the measures used in the system to
8 assess quality.

9 c. An analysis of the outputs quantified by the rating
10 process.

11 d. An analysis of the relationship between the ratings
12 utilized and child outcomes realized.

13 EXPLANATION

14 This bill makes an appropriation to the department of human
15 services to enhance the state child care assistance program
16 and provide other support for child care. The appropriation
17 is allocated to rebase provider rates under the program to the
18 75th percentile of the 2006 child care market rate survey,
19 to change the income redetermination period for continuing
20 eligibility under the program from six months to 12 months, to
21 implement a searchable internet-based application providing a
22 listing of the child care providers in this state that have
23 received a rating under the quality rating system and any
24 specialized services available through the provider, and to
25 conduct an evaluation of the quality rating system.



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Senate File 442 - Introduced

SENATE FILE 442
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1248)

A BILL FOR

1 An Act relating to appropriations to the judicial branch.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 1006SV (1) 85
jm/jp



Iowa General Assembly
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S.F. 442

1 Section 1. JUDICIAL BRANCH.

2 1. There is appropriated from the general fund of the state
3 to the judicial branch for the fiscal year beginning July 1,
4 2013, and ending June 30, 2014, the following amount, or so
5 much thereof as is necessary, to be used for the purposes
6 designated:

7 a. For salaries of supreme court justices, appellate court
8 judges, district court judges, district associate judges,
9 judicial magistrates and staff, state court administrator,
10 clerk of the supreme court, district court administrators,
11 clerks of the district court, juvenile court officers, board of
12 law examiners and board of examiners of shorthand reporters and
13 judicial qualifications commission; receipt and disbursement
14 of child support payments; reimbursement of the auditor
15 of state for expenses incurred in completing audits of the
16 offices of the clerks of the district court during the fiscal
17 year beginning July 1, 2013; and maintenance, equipment, and
18 miscellaneous purposes:

19 \$164,599,367

20 b. For deposit in the revolving fund created pursuant
21 to section 602.1302, subsection 3, for jury and witness
22 fees, mileage, costs related to summoning jurors, fees for
23 interpreters, and reimbursement of attorney fees paid by the
24 state public defender:

25 \$ 3,100,000

26 2. The judicial branch, except for purposes of internal
27 processing, shall use the current state budget system, the
28 state payroll system, and the Iowa finance and accounting
29 system in administration of programs and payments for services,
30 and shall not duplicate the state payroll, accounting, and
31 budgeting systems.

32 3. The judicial branch shall submit monthly financial
33 statements to the legislative services agency and the
34 department of management containing all appropriated accounts
35 in the same manner as provided in the monthly financial status

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S.F. 442

1 reports and personal services usage reports of the department
2 of administrative services. The monthly financial statements
3 shall include a comparison of the dollars and percentage
4 spent of budgeted versus actual revenues and expenditures on
5 a cumulative basis for full-time equivalent positions and
6 dollars.

7 4. The judicial branch shall focus efforts upon the
8 collection of delinquent fines, penalties, court costs, fees,
9 surcharges, or similar amounts.

10 5. It is the intent of the general assembly that the offices
11 of the clerks of the district court operate in all 99 counties
12 and be accessible to the public as much as is reasonably
13 possible in order to address the relative needs of the citizens
14 of each county.

15 6. In addition to the requirements for transfers under
16 section 8.39, the judicial branch shall not change the
17 appropriations from the amounts appropriated to the judicial
18 branch in this division of this Act, unless notice of the
19 revisions is given prior to their effective date to the
20 legislative services agency. The notice shall include
21 information on the branch's rationale for making the changes
22 and details concerning the workload and performance measures
23 upon which the changes are based.

24 7. The judicial branch shall submit a semiannual update
25 to the legislative services agency specifying the amounts of
26 fines, surcharges, and court costs collected using the Iowa
27 court information system since the last report. The judicial
28 branch shall continue to facilitate the sharing of vital
29 sentencing and other information with other state departments
30 and governmental agencies involved in the criminal justice
31 system through the Iowa court information system.

32 8. The judicial branch shall provide a report to the general
33 assembly by January 1, 2014, concerning the amounts received
34 and expended from the enhanced court collections fund created
35 in section 602.1304 and the court technology and modernization

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1 fund created in section 602.8108, subsection 7, during the
2 fiscal year beginning July 1, 2012, and ending June 30, 2013,
3 and the plans for expenditures from each fund during the fiscal
4 year beginning July 1, 2013, and ending June 30, 2014. A copy
5 of the report shall be provided to the legislative services
6 agency.

7 Sec. 2. CIVIL TRIALS — LOCATION. Notwithstanding any
8 provision to the contrary, for the fiscal year beginning July
9 1, 2013, and ending June 30, 2014, if all parties in a case
10 agree, a civil trial including a jury trial may take place in a
11 county contiguous to the county with proper jurisdiction, even
12 if the contiguous county is located in an adjacent judicial
13 district or judicial election district. If the trial is moved
14 pursuant to this section, court personnel shall treat the case
15 as if a change of venue occurred. However, if a trial is moved
16 to an adjacent judicial district or judicial election district,
17 the judicial officers serving in the judicial district or
18 judicial election district receiving the case shall preside
19 over the case.

20 Sec. 3. TRAVEL REIMBURSEMENT. Notwithstanding section
21 602.1509, for the fiscal year beginning July 1, 2013, a
22 judicial officer may waive travel reimbursement for any travel
23 outside the judicial officer's county of residence to conduct
24 official judicial business.

25 Sec. 4. POSTING OF REPORTS IN ELECTRONIC FORMAT —
26 LEGISLATIVE SERVICES AGENCY. All reports or copies of reports
27 required to be provided by the judicial branch for fiscal year
28 2013-2014 to the legislative services agency shall be provided
29 in an electronic format. The legislative services agency shall
30 post the reports on its internet website and shall notify by
31 electronic means all the members of the joint appropriations
32 subcommittee on the justice system when a report is posted.
33 Upon request, copies of the reports may be mailed to members of
34 the joint appropriations subcommittee on the justice system.

35 Sec. 5. JUDICIAL OFFICER — UNPAID LEAVE. Notwithstanding

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S.F. 442

1 the annual salary rates for judicial officers established by
2 2008 Iowa Acts, chapter 1191, section 11, for the fiscal year
3 beginning July 1, 2013, and ending June 30, 2014, the supreme
4 court may by order place all judicial officers on unpaid leave
5 status on any day employees of the judicial branch are placed
6 on temporary layoff status. The biweekly pay of the judicial
7 officers shall be reduced accordingly for the pay period in
8 which the unpaid leave date occurred in the same manner as
9 for noncontract employees of the judicial branch. Through
10 the course of the fiscal year, the judicial branch may use an
11 amount equal to the aggregate amount of salary reductions due
12 to the judicial officer unpaid leave days for any purpose other
13 than for judicial salaries.

14 Sec. 6. IOWA COMMUNICATIONS NETWORK. It is the intent
15 of the general assembly that the judicial branch utilize
16 the Iowa communications network or other secure electronic
17 communications in lieu of traveling for the fiscal year
18 beginning July 1, 2013.

19 EXPLANATION

20 This bill makes appropriations to the judicial branch.

21 The bill appropriates from the general fund of the state for
22 FY 2013-2014 to the judicial branch for salaries, maintenance,
23 equipment, and miscellaneous purposes.

24 The bill provides that a civil trial including a jury trial
25 may take place in a county contiguous to the county with proper
26 jurisdiction, even if the contiguous county is located in an
27 adjacent judicial district or judicial election district, if
28 all the parties in a case agree. If a trial is moved to another
29 county that is located in another judicial district or judicial
30 election district, the judicial officers serving the judicial
31 district or judicial election district receiving the case shall
32 preside over the case.

33 The bill permits a judicial officer to waive travel
34 reimbursement for any travel outside the judicial officer's
35 county of residence to conduct official business.

LSB 1006SV (1) 85

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S.F. 442

1 The bill requires the judicial branch to file reports with
2 the legislative services agency in an electronic format.
3 The bill allows a judicial officer to be placed on unpaid
4 leave for the fiscal year beginning July 1, 2013, and ending
5 June 30, 2014, on any day a court employee is required to
6 furlough. The bill provides that if a judicial officer is
7 placed on unpaid leave, the salary of the judicial officer
8 shall be reduced accordingly for the pay period in which the
9 unpaid leave occurred. Through the course of the fiscal year,
10 the bill provides that the judicial branch may use an amount
11 equal to the aggregate amount of the salary reductions due
12 to judicial officer unpaid leave for any purpose other than
13 judicial salaries.



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Senate File 443 - Introduced

SENATE FILE 443

BY FEENSTRA, ANDERSON, ERNST,
CHELGREN, BERTRAND,
SORENSEN, WHITVER, CHAPMAN,
HOUSER, SMITH, KAPUCIAN,
JOHNSON, BOETTGER,
SINCLAIR, BEHN, ROZENBOOM,
SCHNEIDER, ZUMBACH, DIX,
GUTH, GREINER, BREITBACH,
ZAUN, and SEGEBART

A BILL FOR

1 An Act relating to the individual income tax by providing for
2 reduced tax rates, creating an alternative individual income
3 tax imposed at the election of the taxpayer, and including
4 effective date and retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 1818XS (7) 85
mm/sc



Iowa General Assembly
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S.F. 443

1 DIVISION I
2 INDIVIDUAL INCOME TAX RATE REDUCTION
3 Section 1. Section 422.5, subsection 1, paragraphs a
4 through i, Code 2013, are amended to read as follows:
5 a. On all taxable income from zero through one thousand
6 dollars, ~~thirty-six~~ thirty-four hundredths of one percent.
7 b. On all taxable income exceeding one thousand dollars but
8 not exceeding two thousand dollars, ~~seventy-two~~ sixty-eight
9 hundredths of one percent.
10 c. On all taxable income exceeding two thousand dollars
11 but not exceeding four thousand dollars, two and ~~forty-three~~
12 thirty-one hundredths percent.
13 d. On all taxable income exceeding four thousand dollars
14 but not exceeding nine thousand dollars, four and ~~one-half~~
15 twenty-eight hundredths percent.
16 e. On all taxable income exceeding nine thousand dollars but
17 not exceeding fifteen thousand dollars, ~~six and twelve~~ five and
18 eighty-one hundredths percent.
19 f. On all taxable income exceeding fifteen thousand dollars
20 but not exceeding twenty thousand dollars, six and ~~forty-eight~~
21 sixteen hundredths percent.
22 g. On all taxable income exceeding twenty thousand dollars
23 but not exceeding thirty thousand dollars, six and ~~eight-tenths~~
24 forty-six hundredths percent.
25 h. On all taxable income exceeding thirty thousand dollars
26 but not exceeding forty-five thousand dollars, seven and
27 ~~ninety-two~~ fifty-two hundredths percent.
28 i. On all taxable income exceeding forty-five thousand
29 dollars, eight and ~~ninety-eight~~ fifty-three hundredths percent.
30 Sec. 2. EFFECTIVE UPON ENACTMENT. This division of this
31 Act, being deemed of immediate importance, takes effect upon
32 enactment.
33 Sec. 3. RETROACTIVE APPLICABILITY. This division of this
34 Act applies retroactively to January 1, 2013, for tax years
35 beginning on or after that date.

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1 DIVISION II
2 ALTERNATIVE PERSONAL NET INCOME TAX
3 Sec. 4. Section 2.48, subsection 3, paragraph e,
4 subparagraph (2), Code 2013, is amended to read as follows:
5 (2) The claim of right tax ~~credit~~ credits under ~~section~~
6 sections 422.5 and 422.5A.
7 Sec. 5. Section 68A.102, subsection 21, Code 2013, is
8 amended to read as follows:
9 21. "*State income tax liability*" means the state individual
10 income tax imposed under section 422.5 or 422.5A, as
11 applicable, less the amounts of nonrefundable credits allowed
12 under chapter 422, division II.
13 Sec. 6. Section 257.21, unnumbered paragraph 2, Code 2013,
14 is amended to read as follows:
15 The instructional support income surtax shall be imposed on
16 the state individual income tax for the calendar year during
17 which the school's budget year begins, or for a taxpayer's
18 fiscal year ending during the second half of that calendar year
19 and after the date the board adopts a resolution to participate
20 in the program or the first half of the succeeding calendar
21 year, and shall be imposed on all individuals residing in the
22 school district on the last day of the applicable tax year. As
23 used in this section, "*state individual income tax*" means the
24 taxes computed under section 422.5 or 422.5A, as applicable,
25 less the amounts of nonrefundable credits allowed under chapter
26 422, division II.
27 Sec. 7. Section 422.4, subsection 1, paragraphs b and c,
28 Code 2013, are amended to read as follows:
29 b. (1) "*Cumulative* With respect to section 422.5,
30 "*cumulative inflation factor*" means the product of the annual
31 inflation factor for the 1988 calendar year and all annual
32 inflation factors for subsequent calendar years as determined
33 pursuant to this subsection. The cumulative inflation factor
34 applies to all tax years beginning on or after January 1 of the
35 calendar year for which the latest annual inflation factor has



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1 been determined.

2 (2) With respect to section 422.5, the annual inflation
3 factor for the 1988 calendar year is one hundred percent.

4 c. (1) With respect to section 422.5A, "cumulative
5 inflation factor" means the product of the annual inflation
6 factor for the 2014 calendar year and all annual inflation
7 factors for subsequent calendar years as determined pursuant to
8 this subsection. The cumulative inflation factor applies to
9 all tax years beginning on or after January 1 of the calendar
10 year for which the latest annual inflation factor has been
11 determined.

12 (2) ~~The~~ With respect to section 422.5A, the annual inflation
13 factor for the ~~1988~~ 2014 calendar year is one hundred percent.

14 Sec. 8. Section 422.4, subsection 2, paragraph b, Code 2013,
15 is amended to read as follows:

16 b. ~~"Cumulative~~ With respect to section 422.9, "cumulative
17 standard deduction factor" means the product of the annual
18 standard deduction factor for the 1989 calendar year and all
19 annual standard deduction factors for subsequent calendar years
20 as determined pursuant to this subsection. The cumulative
21 standard deduction factor applies to all tax years beginning
22 on or after January 1 of the calendar year for which the latest
23 annual standard deduction factor has been determined.

24 Sec. 9. Section 422.4, subsection 2, Code 2013, is amended
25 by adding the following new paragraph:

26 NEW PARAGRAPH. c. With respect to section 422.9A,
27 "cumulative standard deduction factor" means the product of the
28 annual standard deduction factor for the 2015 calendar year and
29 all standard deduction factors for subsequent calendar years
30 as determined pursuant to this subsection. The cumulative
31 standard deduction factor applies to all tax years beginning
32 on or after January 1 of the calendar year for which the latest
33 annual standard deduction factor has been determined.

34 Sec. 10. Section 422.4, subsection 16, Code 2013, is amended
35 to read as follows:

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1 16. a. The With respect to a taxpayer computing tax under
2 section 422.5, the words "taxable income" mean the net income
3 as defined in section 422.7 minus the deductions allowed by
4 section 422.9, in the case of individuals; in the case of
5 estates or trusts, the words "taxable income" mean the taxable
6 income (without a deduction for personal exemption) as computed
7 for federal income tax purposes under the Internal Revenue
8 Code, but with the adjustments specified in section 422.7 plus
9 the Iowa income tax deducted in computing the federal taxable
10 income and minus federal income taxes as provided in section
11 422.9.

12 b. With respect to a taxpayer computing tax under section
13 422.5A, the words "taxable income" mean the net income as
14 defined in section 422.7 minus the deductions allowed by
15 section 422.9A, in the case of individuals; in the case of
16 estates or trusts, the words "taxable income" mean the taxable
17 income (without a deduction for personal exemption) as computed
18 for federal income tax purposes under the Internal Revenue
19 Code, but with the adjustments specified in section 422.7 plus
20 the Iowa income tax deducted in computing the federal taxable
21 income.

22 Sec. 11. NEW SECTION. 422.4A Alternative personal net
23 income tax — election.

24 In lieu of the personal net income tax imposed under this
25 division in section 422.5, a taxpayer may elect to be subject
26 to an alternative personal net income tax for tax years
27 beginning on or after January 1, 2014. Such election must be
28 made not later than the due date for filing the return for a
29 taxable year, including extensions thereof, under rules to be
30 prescribed by the director. The provisions of sections 422.5A
31 and 422.9A apply to the alternative method to compute the
32 personal net income tax in lieu of sections 422.5 and 422.9.
33 An election by a married individual shall not be effective
34 unless such election is made by both spouses.

35 Sec. 12. Section 422.5, subsection 1, unnumbered paragraph

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1 1, Code 2013, is amended to read as follows:

2 A tax is imposed upon every resident and nonresident of
3 the state not making an election under section 422.4A, which
4 tax shall be levied, collected, and paid annually upon and
5 with respect to the entire taxable income as defined in this
6 division at rates as follows:

7 Sec. 13. NEW SECTION. **422.5A Tax imposed — exclusions.**

8 1. A tax is imposed upon every resident and nonresident
9 of the state making an election under section 422.4A, which
10 tax shall be levied, collected, and paid annually upon and
11 with respect to the entire taxable income as defined in this
12 division at rates as follows:

13 For tax years beginning in the calendar year:

	2014	2015 and subsequent calendar years
--	------	---

14 a. On all taxable income from zero		
15 through eight thousand dollars.....	1.9%	1.9%

16 b. On all taxable income exceeding		
17 eight thousand dollars but not exceeding		
18 one hundred thousand dollars.....	5.2%	4.8%

19 c. On all taxable income exceeding		
20 one hundred thousand dollars.....	6.3%	6.0%

21 d. (1) The tax imposed upon the taxable income of a
22 nonresident shall be computed by reducing the amount determined
23 pursuant to paragraphs "a" through "c" by the amounts of
24 nonrefundable credits under this division and by multiplying
25 this resulting amount by a fraction of which the nonresident's
26 net income allocated to Iowa, as determined in section
27 422.8, subsection 2, paragraph "a", is the numerator and the
28 nonresident's total net income computed under section 422.7 is
29 the denominator. This provision also applies to individuals
30 who are residents of Iowa for less than the entire tax year.

31 (2) (a) The tax imposed upon the taxable income of a

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1 resident shareholder in an S corporation which has in effect
2 for the tax year an election under subchapter S of the Internal
3 Revenue Code and carries on business within and without
4 the state may be computed by reducing the amount determined
5 pursuant to paragraphs "a" through "c" by the amounts of
6 nonrefundable credits under this division and by multiplying
7 this resulting amount by a fraction of which the resident's
8 net income allocated to Iowa, as determined in section
9 422.8, subsection 2, paragraph "b", is the numerator and the
10 resident's total net income computed under section 422.7 is the
11 denominator. If a resident shareholder has elected to take
12 advantage of this subparagraph (2), and for the next tax year
13 elects not to take advantage of this subparagraph, the resident
14 shareholder shall not reelect to take advantage of this
15 subparagraph for the three tax years immediately following the
16 first tax year for which the shareholder elected not to take
17 advantage of this subparagraph, unless the director consents to
18 the reelection. This subparagraph also applies to individuals
19 who are residents of Iowa for less than the entire tax year.

20 (b) This subparagraph (2) shall not affect the amount of
21 the taxpayer's checkoffs under this division, the credits from
22 tax provided under this division, and the allocation of these
23 credits between spouses if the taxpayers filed separate returns
24 or separately on combined returns.

25 2. a. The tax shall not be imposed on a resident or
26 nonresident whose net income, as defined in section 422.7, is
27 fifteen thousand dollars or less in the case of married persons
28 filing jointly or filing separately on a combined return, heads
29 of household, and surviving spouses or eleven thousand dollars
30 or less in the case of all other persons; but in the event that
31 the payment of tax under this division would reduce the net
32 income to less than fifteen thousand dollars or eleven thousand
33 dollars as applicable, then the tax shall be reduced to that
34 amount which would result in allowing the taxpayer to retain
35 a net income of fifteen thousand dollars or eleven thousand

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1 dollars as applicable. The preceding sentence does not apply
2 to estates or trusts. For the purpose of this subsection, the
3 entire net income, including any part of the net income not
4 allocated to Iowa, shall be taken into account. For purposes
5 of this subsection, net income includes all amounts of pensions
6 or other retirement income received from any source which is
7 not taxable under this division as a result of the government
8 pension exclusions in section 422.7, or any other state law.
9 If the combined net income of a married couple exceeds fifteen
10 thousand dollars, neither of them shall receive the benefit
11 of this subsection, and it is immaterial whether they file a
12 joint return or separate returns. However, if a married couple
13 file separate returns and have a combined net income of fifteen
14 thousand dollars or less, neither spouse shall receive the
15 benefit of this paragraph if one spouse has a net operating
16 loss and elects to carry back or carry forward the loss as
17 provided in section 422.9A, subsection 2. A person who is
18 claimed as a dependent by another person as defined in section
19 422.12 shall not receive the benefit of this subsection if the
20 person claiming the dependent has net income exceeding fifteen
21 thousand dollars or eleven thousand dollars as applicable or
22 the person claiming the dependent and the person's spouse have
23 combined net income exceeding fifteen thousand dollars or
24 eleven thousand dollars as applicable.

25 **b.** In lieu of the computation in subsection 1, or in
26 paragraph "a" of this subsection, if the married persons',
27 filing jointly or filing separately on a combined return,
28 head of household's, or surviving spouse's net income exceeds
29 fifteen thousand dollars, the regular tax imposed under this
30 division shall be the lesser of the maximum state individual
31 income tax rate times the portion of the net income in excess
32 of fifteen thousand dollars or the regular tax liability
33 computed without regard to this sentence. Taxpayers electing
34 to file separately shall compute the alternate tax described
35 in this paragraph using the total net income of both spouses.

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1 The alternate tax described in this paragraph "b" does not apply
2 if one spouse elects to carry back or carry forward the loss as
3 provided in section 422.9A, subsection 2.

4 3. a. The tax shall not be imposed on a resident or
5 nonresident who is at least sixty-five years old on December
6 31 of the tax year and whose net income, as defined in section
7 422.7, is thirty-two thousand dollars or less in the case
8 of married persons filing jointly or filing separately on a
9 combined return, heads of household, and surviving spouses or
10 twenty-four thousand dollars or less in the case of all other
11 persons; but in the event that the payment of tax under this
12 division would reduce the net income to less than thirty-two
13 thousand dollars or twenty-four thousand dollars as applicable,
14 then the tax shall be reduced to that amount which would result
15 in allowing the taxpayer to retain a net income of thirty-two
16 thousand dollars or twenty-four thousand dollars as applicable.
17 The preceding sentence does not apply to estates or trusts.
18 For the purpose of this subsection, the entire net income,
19 including any part of the net income not allocated to Iowa,
20 shall be taken into account. For purposes of this subsection,
21 net income includes all amounts of pensions or other retirement
22 income received from any source which is not taxable under this
23 division as a result of the government pension exclusions in
24 section 422.7, or any other state law. If the combined net
25 income of a married couple exceeds thirty-two thousand dollars,
26 neither of them shall receive the benefit of this subsection,
27 and it is immaterial whether they file a joint return or
28 separate returns. However, if a married couple file separate
29 returns and have a combined net income of thirty-two thousand
30 dollars or less, neither spouse shall receive the benefit of
31 this paragraph, if one spouse has a net operating loss and
32 elects to carry back or carry forward the loss as provided
33 in section 422.9A, subsection 2. A person who is claimed as
34 a dependent by another person as defined in section 422.12
35 shall not receive the benefit of this subsection if the person

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1 claiming the dependent has net income exceeding thirty-two
2 thousand dollars or twenty-four thousand dollars as applicable
3 or the person claiming the dependent and the person's spouse
4 have combined net income exceeding thirty-two thousand dollars
5 or twenty-four thousand dollars as applicable.

6 **b.** In lieu of the computation in subsection 1 or subsection
7 2, paragraph "a" or "b", if the married persons', filing jointly
8 or filing separately on a combined return, head of household's,
9 or surviving spouse's net income exceeds thirty-two thousand
10 dollars, the regular tax imposed under this division shall be
11 the lesser of the maximum state individual income tax rate
12 times the portion of the net income in excess of thirty-two
13 thousand dollars or the regular tax liability computed without
14 regard to this sentence. Taxpayers electing to file separately
15 shall compute the alternate tax described in this paragraph
16 "b" using the total net income of the married couple. The
17 alternate tax described in this paragraph does not apply if
18 one spouse elects to carry back or carry forward the loss as
19 provided in section 422.9A, subsection 2.

20 **c.** This subsection applies even though one spouse has not
21 attained the age of sixty-five, if the other spouse is at least
22 sixty-five at the end of the tax year.

23 4. The tax herein levied shall be computed and collected as
24 hereinafter provided.

25 5. The provisions of this division shall apply to all
26 salaries received by federal officials or employees of the
27 United States government as provided for herein.

28 6. Upon determination of the latest cumulative inflation
29 factor, the director shall multiply each dollar amount set
30 forth in subsection 1, paragraphs "a" through "c", by this
31 cumulative inflation factor, shall round off the resulting
32 product to the nearest one dollar, and shall incorporate the
33 result into the income tax forms and instructions for each tax
34 year.

35 7. The state income tax of a taxpayer whose net income



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1 includes the gain or loss from the forfeiture of an installment
2 real estate contract, the transfer of real or personal
3 property securing a debt to a creditor in cancellation of that
4 debt, or from the sale or exchange of property as a result
5 of actual notice of foreclosure where the fair market value
6 of the taxpayer's assets exceeds the taxpayer's liabilities
7 immediately before such forfeiture, transfer, or sale or
8 exchange shall not be greater than such excess, including any
9 asset transferred within one hundred twenty days prior to such
10 forfeiture, transfer, or sale or exchange. For purposes of
11 this subsection, in the case of married taxpayers, except in
12 the case of spouses who live apart at all times during the
13 tax year, the assets and liabilities of both spouses shall
14 be considered in determining if the fair market value of the
15 taxpayer's assets exceed the taxpayer's liabilities.

16 8. In addition to the other taxes imposed by this section,
17 a tax is imposed on the amount of a lump sum distribution
18 for which the taxpayer has elected under section 402(e) of
19 the Internal Revenue Code to be separately taxed for federal
20 income tax purposes for the tax year. The rate of tax is equal
21 to twenty-five percent of the separate federal tax imposed
22 on the amount of the lump sum distribution. A nonresident
23 is liable for this tax only on that portion of the lump sum
24 distribution allocable to Iowa. The total amount of the lump
25 sum distribution subject to separate federal tax shall be
26 included in net income for purposes of determining eligibility
27 under subsections 2 and 3, as applicable.

28 9. In the case of income derived from the sale or exchange
29 of livestock which qualifies under section 451(e) of the
30 Internal Revenue Code because of drought, the taxpayer may
31 elect to include the income in the taxpayer's net income in
32 the tax year following the year of the sale or exchange in
33 accordance with rules prescribed by the director.

34 10. If an individual's federal income tax was forgiven for
35 a tax year under section 692 of the Internal Revenue Code,

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1 because the individual was killed while serving in an area
2 designated by the president of the United States or the United
3 States Congress as a combat zone, the individual was missing in
4 action and presumed dead, or the individual was killed outside
5 the United States in a terroristic or military action while the
6 individual was a military or civilian employee of the United
7 States, the individual's Iowa income tax is also forgiven for
8 the same tax year.

9 11. If a taxpayer repays in the current tax year certain
10 amounts of income that were subject to tax under this division
11 in a prior year and a tax benefit would be allowed under
12 similar circumstances under section 1341 of the Internal
13 Revenue Code, a tax benefit shall be allowed on the Iowa
14 return. The tax benefit shall be the reduced tax for the
15 current tax year due to the deduction for the repaid income
16 or the reduction in tax for the prior year or years due to
17 exclusion of the repaid income. The reduction in tax shall
18 qualify as a refundable tax credit on the return for the
19 current year pursuant to rules prescribed by the director.

20 Sec. 14. Section 422.6, unnumbered paragraph 1, Code 2013,
21 is amended to read as follows:

22 The tax imposed by section 422.5 or 422.5A, as applicable,
23 less the amounts of nonrefundable credits allowed under this
24 division apply to and are a charge against estates and trusts
25 with respect to their taxable income, and the rates are the
26 same as those applicable to individuals. The fiduciary shall
27 make the return of income for the estate or trust for which
28 the fiduciary acts, whether the income is taxable to the
29 estate or trust or to the beneficiaries. However, for tax
30 years ending after August 5, 1997, if the trust is a qualified
31 preneed funeral trust as set forth in section 685 of the
32 Internal Revenue Code and the trustee has elected the special
33 tax treatment under section 685 of the Internal Revenue Code,
34 neither the trust nor the beneficiary is subject to Iowa income
35 tax on income accruing to the trust.

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1 Sec. 15. Section 422.7, subsection 21, unnumbered paragraph
2 2, Code 2013, is amended to read as follows:

3 However, to the extent otherwise allowed, the deduction
4 provided in this subsection is not allowed for purposes
5 of computation of a net operating loss in section 422.9,
6 subsection 3, or section 422.9A, subsection 2, and in computing
7 the income for the taxable year or years for which a net
8 operating loss is deducted.

9 Sec. 16. Section 422.8, subsection 2, paragraph a, Code
10 2013, is amended to read as follows:

11 a. Nonresident's net income allocated to Iowa is the net
12 income, or portion of net income, which is derived from a
13 business, trade, profession, or occupation carried on within
14 this state or income from any property, trust, estate, or
15 other source within Iowa. However, income derived from a
16 business, trade, profession, or occupation carried on within
17 this state and income from any property, trust, estate, or
18 other source within Iowa shall not include distributions from
19 pensions, including defined benefit or defined contribution
20 plans, annuities, individual retirement accounts, and deferred
21 compensation plans or any earnings attributable thereto so long
22 as the distribution is directly related to an individual's
23 documented retirement and received while the individual is a
24 nonresident of this state. If a business, trade, profession,
25 or occupation is carried on partly within and partly without
26 the state, only the portion of the net income which is fairly
27 and equitably attributable to that part of the business, trade,
28 profession, or occupation carried on within the state is
29 allocated to Iowa for purposes of section 422.5, subsection 1,
30 paragraph "j", or section 422.5A, subsection 1, paragraph "d",
31 as applicable, and section 422.13 and income from any property,
32 trust, estate, or other source partly within and partly without
33 the state is allocated to Iowa in the same manner, except that
34 annuities, interest on bank deposits and interest-bearing
35 obligations, and dividends are allocated to Iowa only to the

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1 extent to which they are derived from a business, trade,
2 profession, or occupation carried on within the state.
3 Sec. 17. Section 422.8, subsection 4, Code 2013, is amended
4 to read as follows:

5 4. The amount of minimum tax paid to another state or
6 foreign country by a resident taxpayer of this state from
7 preference items derived from sources outside of Iowa shall
8 be allowed as a credit against the tax computed under this
9 division for taxpayers not electing the alternative method
10 under section 422.4A, except that the credit shall not exceed
11 what the amount of state alternative minimum tax would have
12 been on the same preference items which were taxed by the
13 other state or foreign country. The limitation on this credit
14 shall be computed according to the following formula: The
15 total of preference items earned outside of Iowa and taxed
16 by another state or foreign country shall be divided by the
17 total of preference items of the resident taxpayer of Iowa. In
18 computing this quotient, those items excludable under section
19 422.5, subsection 2, paragraph "b", subparagraph (1), shall
20 not be used in computing the preference items. This quotient
21 multiplied times the net state alternative minimum tax as
22 determined in section 422.5, subsection 2, on the total of
23 preference items as if entirely earned in Iowa shall be the
24 maximum tax credit against the Iowa alternative minimum tax.
25 However, the maximum tax credit will not be allowed to the
26 extent that the minimum tax imposed by the other state or
27 foreign country is less than the maximum tax credit computed
28 above.

29 Sec. 18. NEW SECTION. 422.9A Deductions from net income.

30 1. In computing taxable income of individuals, there shall
31 be deducted from net income the sum of the following:

32 a. A basic standard deduction equal to three thousand
33 dollars for a married individual who files separately or a
34 single individual or equal to six thousand dollars for a
35 married couple who file a joint return, a surviving spouse, or

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1 a head of household.
2 **b.** An additional standard deduction equal to two thousand
3 dollars for each dependent. For purposes of this subsection,
4 "*dependent*" has the same meaning as provided by the Internal
5 Revenue Code.
6 **c.** An additional standard deduction equal to one thousand
7 dollars for an individual who has attained the age of
8 sixty-five years before the close of the tax year or on the
9 first day following the end of the tax year.
10 **d.** An additional standard deduction equal to one thousand
11 dollars for an individual who is blind, as that term is
12 described in section 422.12, subsection 2, at the close of the
13 tax year.
14 **2.** If, after applying all of the adjustments provided
15 for in section 422.7, the allocation provisions of section
16 422.8, and the deductions allowable in this section subject to
17 the modifications provided in section 172(d) of the Internal
18 Revenue Code, the taxable income results in a net operating
19 loss, the net operating loss shall be deducted as follows:
20 **a.** The Iowa net operating loss shall be carried back three
21 taxable years for an individual taxpayer with a casualty
22 or theft property loss or for a net operating loss in a
23 presidentially declared disaster area incurred by a taxpayer
24 engaged in a small business or in the trade or business of
25 farming. For all other Iowa net operating losses, the net
26 operating loss shall be carried back two taxable years or to
27 the taxable year in which the taxpayer first earned income in
28 Iowa, whichever year is the later.
29 **b.** The Iowa net operating loss remaining after being carried
30 back as required in paragraph "*a*" or "*d*" or if not required to
31 be carried back shall be carried forward twenty taxable years.
32 **c.** If the election under section 172(b)(3) of the Internal
33 Revenue Code is made, the Iowa net operating loss shall be
34 carried forward twenty taxable years.
35 **d.** Notwithstanding paragraph "*a*", for a taxpayer who is

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1 engaged in the trade or business of farming as defined in
2 section 263A(e)(4) of the Internal Revenue Code and has a loss
3 from farming as defined in section 172(b)(1)(F) of the Internal
4 Revenue Code including modifications prescribed by rule by the
5 director, the Iowa loss from the trade or business of farming
6 is a net operating loss which may be carried back five taxable
7 years prior to the taxable year of the loss.

8 Sec. 19. Section 422.10, subsection 4, Code 2013, is amended
9 to read as follows:

10 4. Any credit in excess of the tax liability imposed by
11 section 422.5 or 422.5A, as applicable, less the amounts of
12 nonrefundable credits allowed under this division for the
13 taxable year shall be refunded with interest computed under
14 section 422.25. In lieu of claiming a refund, a taxpayer
15 may elect to have the overpayment shown on the taxpayer's
16 final, completed return credited to the tax liability for the
17 following taxable year.

18 Sec. 20. Section 422.12, subsection 2, paragraph a, Code
19 2013, is amended to read as follows:

20 a. (1) A For a taxpayer computing tax under section 422.5,
21 a personal exemption credit in the following amounts:

22 ~~(1)~~ (a) For an estate or trust, a single individual, or a
23 married person filing a separate return, forty dollars.

24 ~~(2)~~ (b) For a head of household, or a ~~husband and wife~~
25 married couple filing a joint return, eighty dollars.

26 ~~(3)~~ (c) For each dependent, an additional forty dollars.

27 ~~(4)~~ (d) For a single individual, ~~husband, wife married~~
28 couple, or head of household, an additional exemption of twenty
29 dollars for each of said individuals who has attained the age
30 of sixty-five years before the close of the tax year or on the
31 first day following the end of the tax year.

32 ~~(5)~~ (e) For a single individual, ~~husband, wife married~~
33 couple, or head of household, an additional exemption of twenty
34 dollars for each of said individuals who is blind at the
35 close of the tax year. For the purposes of this subparagraph

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1 division, an individual is blind only if the individual's
2 central visual acuity does not exceed twenty-two hundredths in
3 the better eye with correcting lenses, or if the individual's
4 visual acuity is greater than twenty-two hundredths but is
5 accompanied by a limitation in the fields of vision such that
6 the widest diameter of the visual field subtends an angle no
7 greater than twenty degrees.

8 (2) For a taxpayer computing tax under section 422.5A, a
9 personal exemption credit in the following amounts:

10 (a) For an estate or trust, a single individual, or a
11 married person filing a separate return, sixty dollars.

12 (b) For a head of household, or a married couple filing a
13 joint return, one hundred twenty dollars.

14 (c) For each dependent, an additional sixty dollars.

15 Sec. 21. Section 422.13, subsection 2, Code 2013, is amended
16 to read as follows:

17 2. Notwithstanding any other provision in this section,
18 a resident of this state is not required to make and file a
19 return if the person's net income is equal to or less than the
20 appropriate dollar amount listed in section 422.5, subsection
21 3 or 3B, or section 422.5A, subsection 2 or 3, as applicable,
22 upon which tax is not imposed. A nonresident of this state
23 is not required to make and file a return if the person's
24 total net income in section 422.5, subsection 1, paragraph
25 "j", is equal to or less than the appropriate dollar amount
26 provided in section 422.5, subsection 3 or 3B, upon which
27 tax is not imposed, or if the person's total net income in
28 section 422.5A, subsection 1, paragraph "d", is equal to or
29 less than the appropriate dollar amount provided in section
30 422.5A, subsection 2 or 3, upon which tax is not imposed, as
31 applicable. For purposes of this subsection, the amount of a
32 lump sum distribution subject to separate federal tax shall
33 be included in net income for purposes of determining if a
34 resident is required to file a return and the portion of the
35 lump sum distribution that is allocable to Iowa is included in

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1 total net income for purposes of determining if a nonresident
2 is required to make and file a return.

3 Sec. 22. Section 422.16, subsection 8, Code 2013, is amended
4 to read as follows:

5 8. An employer or withholding agent shall be liable for
6 the payment of the tax required to be deducted and withheld
7 or the amount actually deducted, whichever is greater, under
8 subsections 1 and 12 of this section; and any amount deducted
9 and withheld as tax under subsections 1 and 12 of this section
10 during any calendar year upon the wages of any employee,
11 nonresident, or other person shall be allowed as a credit to
12 the employee, nonresident, or other person against the tax
13 imposed by section 422.5 or 422.5A, as applicable, irrespective
14 of whether or not such tax has been, or will be, paid over by
15 the employer or withholding agent to the department as provided
16 by this chapter.

17 Sec. 23. Section 422.21, subsections 1 and 5, Code 2013, are
18 amended to read as follows:

19 1. Returns shall be in the form the director prescribes,
20 and shall be filed with the department on or before the last
21 day of the fourth month after the expiration of the tax year.
22 However, cooperative associations as defined in section 6072(d)
23 of the Internal Revenue Code shall file their returns on or
24 before the fifteenth day of the ninth month following the
25 close of the taxable year and nonprofit corporations subject
26 to the unrelated business income tax imposed by section
27 422.33, subsection 1A, shall file their returns on or before
28 the fifteenth day of the fifth month following the close of
29 the taxable year. If, under the Internal Revenue Code, a
30 corporation is required to file a return covering a tax period
31 of less than twelve months, the state return shall be for the
32 same period and is due forty-five days after the due date of
33 the federal tax return, excluding any extension of time to
34 file. In case of sickness, absence, or other disability, or
35 if good cause exists, the director may allow further time for

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1 filing returns. The director shall cause to be prepared blank
2 forms for the returns and shall cause them to be distributed
3 throughout the state and to be furnished upon application,
4 but failure to receive or secure the form does not relieve
5 the taxpayer from the obligation of making a return that is
6 required. The department may as far as consistent with the
7 Code draft income tax forms to conform to the income tax
8 forms of the internal revenue department of the United States
9 government. Each return by a taxpayer upon whom a tax is
10 imposed by section 422.5 or 422.5A shall show the county of the
11 residence of the taxpayer.

12 5. The director shall determine for the 1989 and each
13 subsequent calendar year the annual and cumulative inflation
14 factors for each calendar year to be applied to tax years
15 beginning on or after January 1 of that calendar year. The
16 director shall compute the new dollar amounts as specified
17 to be adjusted in section 422.5 and 422.5A by the latest
18 cumulative inflation factor and round off the result to the
19 nearest one dollar. The annual and cumulative inflation
20 factors determined by the director are not rules as defined in
21 section 17A.2, subsection 11. The director shall determine for
22 the 1990 calendar year and each subsequent calendar year the
23 annual and cumulative standard deduction factors to be applied
24 to tax years beginning on or after January 1 of that calendar
25 year. The director shall compute the new dollar amounts of
26 the standard deductions specified in section 422.9, subsection
27 1, and 422.9A, subsection 1, by the latest cumulative standard
28 deduction factor and round off the result to the nearest ten
29 dollars. The annual and cumulative standard deduction factors
30 determined by the director are not rules as defined in section
31 17A.2, subsection 11.

32 Sec. 24. Section 422D.2, Code 2013, is amended to read as
33 follows:

34 **422D.2 Local income surtax.**

35 A county may impose by ordinance a local income surtax as

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1 provided in section 422D.1 at the rate set by the board of
2 supervisors, of up to one percent, on the state individual
3 income tax of each individual residing in the county at the
4 end of the individual's applicable tax year. However, the
5 cumulative total of the percents of income surtax imposed on
6 any taxpayer in the county shall not exceed twenty percent.
7 The reason for imposing the surtax and the amount needed
8 shall be set out in the ordinance. The surtax rate shall be
9 set to raise only the amount needed. For purposes of this
10 section, "*state individual income tax*" means the tax computed
11 under section 422.5 or section 422.5A, as applicable, less the
12 amounts of nonrefundable credits allowed under chapter 422,
13 division II.

14 Sec. 25. EFFECTIVE DATE. This division of this Act takes
15 effect January 1, 2014.

16 Sec. 26. APPLICABILITY. This division of this Act applies
17 to tax years beginning on or after January 1, 2014.

18 DIVISION III

19 INCOME TAX STUDY COMMITTEE

20 Sec. 27. INCOME TAX STUDY COMMITTEE.

21 1. The legislative council is requested to establish an
22 income tax study committee to study and receive testimony
23 and recommendations relating to the changes to the
24 individual income tax enacted in this Act, and shall submit
25 recommendations to the general assembly in the form of a report
26 by November 29, 2013, and November 28, 2014.

27 2. The study committee shall be composed of six members
28 of the senate and the house of representatives, and a certain
29 number of other public and private members, as determined by
30 the legislative council, who shall serve in an ex officio,
31 nonvoting capacity.

32 3. The study committee shall commence meeting as soon as
33 practicable during the 2013 and 2014 legislative interims.

34 EXPLANATION

35 This bill relates to the individual income tax by reducing

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1 income tax rates and by creating an alternative personal net
2 income tax imposed at the election of the taxpayer.

3 DIVISION I — INDIVIDUAL INCOME TAX RATE REDUCTION. The
4 division reduces by approximately 5 percent the tax rate for
5 each of the nine tax brackets of the individual income tax.
6 The current individual income tax rates range from a low of
7 0.36 percent to a high of 8.98 percent. The bill changes these
8 rates to a low of 0.34 percent and a high of 8.53 percent. The
9 division takes effect upon enactment and applies retroactively
10 to January 1, 2013, for tax years beginning on or after that
11 date.

12 DIVISION II — ALTERNATIVE PERSONAL NET INCOME TAX. The
13 division creates an alternative personal net income tax imposed
14 at the election of the taxpayer. In lieu of the regular
15 personal net income tax imposed under Code section 422.5, a
16 taxpayer may elect to be subject to an alternative personal net
17 income tax as provided in new Code sections 422.4A, 422.5A,
18 and 422.9A, beginning with the 2014 tax year. An election
19 must be made not later than the due date for filing the return
20 for the taxable year, including extensions, under rules to be
21 prescribed by the director. For married taxpayers, an election
22 must be made by both spouses to be effective.

23 The alternative personal net income tax is computed using
24 three tax brackets. The first bracket includes taxable income
25 from zero to \$8,000. The second bracket includes taxable
26 income from \$8,001 to \$100,000. The third bracket includes all
27 taxable income exceeding \$100,000. The dollar amounts in each
28 of these three brackets are indexed for inflation. For tax
29 years beginning in 2014, the tax rates for each bracket are 1.9
30 percent, 5.2 percent, and 6.3 percent, respectively. For tax
31 years beginning in 2015, and for each year thereafter, the tax
32 rates for each bracket are 1.9 percent, 4.8 percent, and 6.0
33 percent, respectively.

34 Taxpayers electing the alternative personal net income tax
35 are not allowed a deduction for federal income tax paid or for



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1 other itemized deductions in computing taxable income but do
2 retain the ability to deduct net operating loss. Electing
3 taxpayers are allowed a basic standard deduction equal to
4 \$3,000 for a single individual, or a married individual who
5 files a separate tax return, or equal to \$6,000 for a married
6 couple filing a joint return, a surviving spouse, or a head of
7 household. Electing taxpayers are also allowed an additional
8 standard deduction equal to \$2,000 for each dependent, \$1,000
9 if the taxpayer is age 65 or older, and \$1,000 if the taxpayer
10 is blind. These standard deduction amounts are indexed for
11 inflation.

12 In comparison to the regular personal net income tax, the
13 alternative personal net income tax increases the personal
14 exemption credit from \$40 to \$60 for an estate or trust, a
15 single person, and a married person filing a separate return,
16 from \$80 to \$120 for a head of household or a married couple
17 filing a joint return, and from \$40 to \$60 for each additional
18 dependent. The \$20 personal exemption credit available under
19 the regular personal net income tax for a taxpayer who is 65
20 or older, or blind, is not available under the alternative
21 personal net income tax.

22 Also in comparison to the regular personal net income tax,
23 the alternative personal net income tax increases the filing
24 threshold from \$13,500 to \$15,000 for married taxpayers filing
25 jointly or separately on a combined return, heads of household,
26 and surviving spouses, and from \$9,000 to \$11,000 for all other
27 persons. The filing threshold for taxpayers who are 65 years
28 of age or older remains unchanged at \$32,000 and \$24,000,
29 respectively.

30 The division eliminates the alternative minimum tax and
31 the related minimum tax credit for taxpayers electing the
32 alternative personal net income tax.

33 The division makes several conforming changes to the
34 personal net income tax in division II of Code chapter 422, and
35 to the definitions of "state income tax liability" for purposes

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1 of the Iowa election campaign fund income tax checkoff in Code
2 chapter 68A, and "state individual income tax" for purposes of
3 the emergency medical services income surtax in Code chapter
4 422D, the instructional support income surtax in Code section
5 257.21, and, by reference, the educational improvement income
6 surtax in Code section 257.29 and the physical plant and
7 equipment income surtax in Code section 298.2, to include
8 references to the alternative personal net income tax where
9 appropriate.

10 The division takes effect on January 1, 2014, and applies to
11 tax years beginning on or after that date.

12 DIVISION III — INCOME TAX STUDY COMMITTEE. The division
13 creates a legislative study committee to study and receive
14 testimony and recommendations relating to the individual income
15 tax changes enacted in the bill. The study committee shall be
16 composed of members of the senate and house of representatives,
17 and a certain number of other public and private members, as
18 determined by the legislative council, who shall serve in an
19 ex officio, nonvoting capacity. The committee shall commence
20 meeting as soon as practicable during the 2013 and 2014
21 legislative interims and shall submit recommendations in the
22 form of a report to the general assembly by November 29, 2013,
23 and November 28, 2014.



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Senate File 444 - Introduced

SENATE FILE 444
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1241)

A BILL FOR

1 An Act providing a sales tax exemption for hydroelectricity
2 conversion property.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.3, subsection 54, Code 2013, is
2 amended to read as follows:

3 54. a. The sales price from the sale of wind energy
4 conversion property or hydroelectricity conversion property
5 to be used as an electric power source and the sale of the
6 materials used to manufacture, install, or construct wind
7 energy conversion property or hydroelectricity conversion
8 property used or to be used as an electric power source.

9 b. For purposes of this subsection, ~~“wind:~~

10 (1) “Wind energy conversion property” means any device,
11 including but not limited to a wind charger, windmill,
12 wind turbine, tower and electrical equipment, pad mount
13 transformers, power lines, and substation, which converts wind
14 energy to a form of usable energy.

15 (2) “Hydroelectricity conversion property” means any device,
16 including but not limited to a generator, turbine, powerhouse,
17 intake, coffer dam, walls, water conduit, tailrace, any other
18 concrete components, electrical equipment substation, poles,
19 wires, transformers, breakers, and switches used to convert
20 water, water power, or hydroelectricity to a form of usable
21 energy.

22 EXPLANATION

23 This bill exempts hydroelectricity conversion property from
24 sales tax.

25 Currently, Code section 423.3, subsection 54, provides
26 a sales tax exemption for the sales price of wind energy
27 conversion property to be used as an electric power source and
28 the sale of the materials used to manufacture, install, or
29 construct wind energy conversion property used or to be used
30 as an electric power source. The bill makes this provision
31 equally applicable to hydroelectricity conversion property, as
32 defined in the bill.

33 By operation of Code section 423.6, an item exempt from the
34 imposition of the sales tax is also exempt from the use tax
35 imposed in Code section 423.5.

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Senate File 445 - Introduced

SENATE FILE 445
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 305)
(SUCCESSOR TO SSB 1073)

A BILL FOR

1 An Act relating to the transfer of real estate and the filing
2 of a mortgage release certificate, providing for a fee and
3 making remedies applicable, and including effective date
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 16.92, Code 2013, is amended by striking
2 the section and inserting in lieu thereof the following:
3 **16.92 Real estate transfer — mortgage release certificate.**
4 1. *Definitions.* As used in this section, unless the context
5 otherwise requires:
6 a. *"Applicant"* means a person authorized to regularly lend
7 moneys to be secured by a mortgage on real property in this
8 state, a licensed real estate broker, a licensed attorney, a
9 participating abstractor, or a licensed closing agent.
10 b. *"Closing agent"* means a closing agent subject to the
11 licensing requirements of chapter 535B.
12 c. *"Division"* means the title guaranty division in the Iowa
13 finance authority, the director of the division, or a designee
14 of the director.
15 d. *"Division board"* means the board of directors of the
16 title guaranty division of the Iowa finance authority.
17 e. *"Mortgage"* means a mortgage or mortgage lien on an
18 interest in real property in this state given to secure a loan
19 in an original principal amount equal to or less than the
20 maximum principal amount as determined by the division board
21 and adopted by the Iowa finance authority pursuant to chapter
22 17A.
23 f. *"Mortgage servicer"* means the mortgagee or a person
24 other than the mortgagee to whom a mortgagor or the mortgagor's
25 successor in interest is instructed by the mortgagee to
26 send payments on a loan secured by the mortgage. A person
27 transmitting a payoff statement for a mortgage is a mortgage
28 servicer for purposes of such mortgage and this chapter.
29 g. *"Mortgagee"* means the grantee of a mortgage. If a
30 mortgage has been assigned of record, the mortgagee is the last
31 person to whom the mortgage is assigned of record.
32 h. *"Mortgagor"* means the grantor of a mortgage.
33 i. *"Participating abstractor"* means an abstractor
34 participating in the title guaranty program.
35 j. *"Payoff statement"* means a written statement furnished by

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1 the mortgage servicer which sets forth all of the following:

2 (1) The unpaid balance of the loan secured by a mortgage,
3 including principal, interest, and any other charges properly
4 due under or secured by the mortgage, or the amount required to
5 be paid in order to release or partially release the mortgage.

6 (2) The address where payment is to be sent or other
7 specific instructions for making a payment.

8 (3) The legal description, street address, or other
9 description sufficient to identify the property that will be
10 released from the mortgage.

11 2. *Application.* The division may execute and record a
12 certificate of release on behalf of the division in the real
13 property records of each county in which a mortgage is recorded
14 as provided in this section if all of the following are
15 satisfied:

16 a. The applicant submits all of the following in writing to
17 the division:

18 (1) A payoff statement or other documentation of the amount
19 due, acceptable to the division, as evidence that the mortgage
20 does not continue to secure an unpaid obligation due the
21 mortgagee or an unfunded commitment by the mortgagor to the
22 mortgagee.

23 (2) Evidence that payment was made, including, if
24 available, a statement as to the date the payment was received
25 by the mortgagee or mortgage servicer, with supporting
26 documentation, as evidenced by one or more of the following:

27 (a) A bank check, certified check, escrow account check,
28 real estate broker trust account check, attorney trust account
29 check, or wire receipt, that was negotiated by the mortgagee or
30 mortgage servicer.

31 (b) Other documentary evidence, acceptable to the division,
32 of payment to the mortgagee or mortgage servicer.

33 b. The applicant confirms in writing to the division all of
34 the following:

35 (1) More than thirty days have elapsed since the date the

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1 payment was sent.

2 (2) An effective satisfaction or release of the mortgage
3 has not been executed and recorded within thirty days after the
4 date of payment.

5 3. *Notice.*

6 a. Prior to the execution and filing of a certificate of
7 release pursuant to this section, the division shall notify the
8 mortgage servicer in writing of all of the following:

9 (1) The mortgage has not been released.

10 (2) The division's intention to execute and record
11 a certificate of release pursuant to this section after
12 expiration of the thirty-day period following the sending of
13 the notice.

14 b. The notice shall include instructions to notify the
15 division in writing within thirty days of the effective date of
16 the notice of any reason why the certificate of release should
17 not be executed and recorded.

18 c. For purposes of this section, notice may be served by any
19 of the following methods:

20 (1) By certified mail or any commercial delivery service,
21 properly addressed with postage or cost of delivery provided
22 for.

23 (2) By facsimile transmission or electronic mail to an
24 address provided by the mortgage servicer, but only if the
25 mortgage servicer agrees to receive notice in that manner.

26 (3) By publication in a newspaper of general circulation
27 published in each county where the mortgage is recorded once
28 each week for three consecutive weeks after receiving an
29 affidavit by the applicant that service in accordance with the
30 provisions of subparagraph (1) or (2) cannot be made on the
31 mortgage servicer.

32 (4) By otherwise causing the notice to be received by the
33 mortgage servicer within the time it would have been received
34 if notice had been served by certified mail or commercial
35 delivery service.



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1 *d.* For purposes of this section, notice is effective under
2 any of the following circumstances:

3 (1) The day after the notice is deposited with a commercial
4 delivery service for overnight delivery.

5 (2) Three days after the notice is deposited with the United
6 States postal service, or with a commercial delivery service
7 for delivery other than by overnight delivery.

8 (3) The day the notice is transmitted, if served pursuant to
9 paragraph "c", subparagraph (2).

10 (4) On the last day of publication, if published pursuant to
11 paragraph "c", subparagraph (3).

12 (5) The day the notice is received, if served by a method
13 other than as provided in paragraph "c", subparagraph (1), (2),
14 or (3).

15 *e.* If, prior to executing and recording the certificate of
16 release, the division receives a written notification setting
17 forth a reason that is satisfactory to the division as to why
18 the certificate of release should not be executed, the division
19 shall not execute and record the certificate of release.

20 4. *Contents.* A certificate of release executed under this
21 section must contain substantially the information set forth
22 as follows:

23 *a.* The name of the mortgagor.

24 *b.* The name of the original mortgagee.

25 *c.* The date of the mortgage.

26 *d.* The date of recording, including the volume and page or
27 other applicable recording information in the real property
28 records of each county where the mortgage is recorded.

29 *e.* A statement that the release was prepared in accordance
30 with this section.

31 5. *Execution.* A certificate of release under this section
32 shall be executed and acknowledged in the same manner as
33 required by law for the execution of a deed.

34 6. *Recording.* The certificate of release or partial
35 release shall be recorded in each county where the mortgage is

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1 recorded.

2 7. *Effect.*

3 a. For purposes of a release or partial release of a
4 mortgage, a certificate of release executed under this section
5 that contains the information and statements required under
6 subsection 4 is prima facie evidence of the facts contained in
7 such release or partial release, is entitled to be recorded
8 with the county recorder where the mortgage is recorded,
9 operates as a release or partial release of the mortgage
10 described in the certificate of release, and may be relied upon
11 by any person who owns or subsequently acquires an interest in
12 the property released from the mortgage. The county recorder
13 shall rely upon the certificate of release to release the
14 mortgage.

15 b. Recording of a wrongful or erroneous certificate of
16 release by the division shall not relieve the mortgagor, or the
17 mortgagor's successors or assigns on the debt, from personal
18 liability on the loan or on other obligations secured by the
19 mortgage.

20 c. In addition to any other remedy provided by law, if the
21 division through an act of negligence wrongfully or erroneously
22 records a certificate of release under this section, the
23 division is liable to the mortgagee and mortgage servicer
24 for actual damages sustained due to the recording of the
25 certificate of release.

26 d. Upon payment of a claim relating to the recording of
27 a certificate of release, the division is subrogated to the
28 rights of the claimant against all persons relating to the
29 claim.

30 8. *Fee.* The division may charge a fee for services under
31 this section.

32 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
33 immediate importance, takes effect upon enactment.

34 EXPLANATION

35 This bill relates to the transfer of real estate and the

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1 filing of a mortgage release certificate, providing for a fee,
2 making remedies applicable, and providing an effective date.
3 Code section 16.92 allows the title guaranty division
4 (division) of the Iowa finance authority to execute and record
5 a mortgage release certificate in each county (county recorder)
6 in which a mortgage is recorded if such mortgage has been
7 paid off but not released of record or has been incorrectly
8 released.

9 The bill reorganizes, consolidates, and amends certain
10 provisions in Code section 16.92 relating to the application
11 process for a certificate of release, notice requirements
12 the division must follow in notifying a mortgage servicer of
13 the division's intention to execute and record a certificate
14 of release upon the division's receipt of a mortgage release
15 application, and execution requirements relating to the
16 certificate of release. The bill specifies that a request for
17 a mortgage release certificate may be made by an applicant,
18 defined in the bill as a person authorized to regularly lend
19 moneys to be secured by a mortgage on real property in this
20 state, a licensed real estate broker, a licensed attorney, a
21 participating abstractor, or a licensed closing agent. The
22 applicant is required to submit certain evidence acceptable to
23 the division and the applicant must confirm in writing that
24 the mortgage has been paid off and that no release of the
25 mortgage has occurred. The bill provides that the certificate
26 of release executed by the division is only required to contain
27 certain basic information about the mortgage and the execution
28 of the certificate and also authorizes the division to charge a
29 fee for services relating to the execution of the certificate
30 of release.

31 Under Code section 16.92, for purposes of a release or
32 partial release of a mortgage, a properly executed certificate
33 of release is prima facie evidence of the facts contained in
34 such release or partial release, is entitled to be recorded
35 with the county recorder where the mortgage is recorded,



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1 operates as a release or partial release of the mortgage
2 described in the certificate of release, and may be relied upon
3 by any person who owns or subsequently acquires an interest in
4 the property released from the mortgage. The county recorder
5 is required to rely upon the certificate of release to release
6 the mortgage. In addition to any other remedy provided by
7 law, if the division through an act of negligence wrongfully
8 or erroneously records a certificate of release, the division
9 is liable to the mortgagee and mortgage servicer for actual
10 damages sustained due to the recording of the certificate of
11 release.
12 The bill takes effect upon enactment.